COMMUNITY RELATIONS

Bill Would Separate Exams For Lending Compliance

By LINDA CORMAN

WASHINGTON — A bill awaiting action on the Senate floor would create yet another exam for many financial institutions.

The Fair Lending Enforcement Act, which was introduced by Sen. Alan Dixon, D-Ill., would require regulators to conduct separate examinations for consumer compliance, which encompasses community reinvestment and fair lending, and for safety and soundness. Several regulators now do both in one fell swoop.

The measure is modeled after the practices of the Federal Reserve Board, which has conducted separate exams in these areas for the past 15 years. The Federal Deposit Insurance Corp. and the Office of Thrift Supervision are also taking steps to create separate exams.

But the Office of the Comptroller of the Currency and the federal credit union regulator have expressed at least some resistance to the proposal, saying it could increase their examination costs. And industry trade groups say the measure would increase the regulatory burden on financial institutions.

The bill, which passed the Senate Banking Committee in July, would require that all financial regulators create separate units for consumer compliance by Jan. 1, 1993. Under the proposal, the heads of the consumer compliance programs would answer directly to their respective agency heads, not to the examiners in charge of safety and soundness.

Discrimination Alleged

The legislation sprang from hearings conducted over the past year on alleged discrimination in mortgage lending.

"There has been lots of testimony that regulators don't give enough attention to [consumer compliance] exams," said a staff member of the Banking Committee. "It is too complex to do both consumer exams and safety and soundness exams. If a choice [has to be made], short shrift is given to consumer stuff."

The proposed changes are designed to make sure examiners devote full attention to banks' compliance with consumer legislation and to ensure that examiners are fully versed in that subject.

The National Association of Federal Credit Unions has been the most vocal in expressing concerns about the measure.

The cost of having separate examiners is the primary issue, said John H. Zimmerman, legislative representative for the organization. Mr. Zimmerman declined to provide an estimate of what the additional costs would be to the credit union regulator and what costs would be passed on to credit unions.

The Banking Committee staff member, however, said the credit union group had claimed the bill would set it back $3 million. The staff member said the committee estimated the cost would be closer to $300,000.

The banking trade groups have not made the legislation a priority in their legislative battles. But both the American Bankers Association and the Consumer Bankers Association say the measure is another example of the growing regulatory burden on their members.

Conflicting Demands

Craig Ulrich, vice president and general counsel for the consumers association, said a potential problem with separate exams is that banks may "get stuck between conflicting demands . . . between safety and soundness and consumer compliance."

Some cases of conflicts have already arisen when regulators have used separate examiners, Mr. Ulrich said. Some bankers have said they see inherent conflict in being more flexible about qualifications for borrowers in low-income areas and living up to regulators' standards, particularly when making housing and other real estate loans.

In its report on the estimated cost of implementing the proposal, the Congressional Budget Office said the added expense to the National Credit Union Administration – the federal agency that regulates credit unions – would be $200,000 for training and $400,000 for reporting and supervision.

Although the NCUA board has not taken a position on the proposed legislation, the regulator has concerns about the costs, said Robert Loftus, agency director of public and congressional affairs.

"We feel we're doing all that is necessary for consumer compliance," said Mr. Loftus, who added that the agency is seeking some changes in the bill.

Among the banking agencies, the Office of the Comptroller of the Currency has offered the strongest resistance to the proposal even though it has taken steps to alter its organization to meet the bill's requirements, said the Banking Committee staff member.

"No one here is trying to stonewall" the proposal, said a spokesperson for the Comptroller's office. But she said the agency is concerned that the bill would translate into increased costs for the OCC. The Congressional Budget Office found the additional cost for the Comptroller's office would be $200,000 to $500,000. The money would be needed to hire consumer compliance directors for each of six supervisory districts.

No additional costs would be borne by the FDIC, the OTS, or the Fed, the Congressional Budget Office found, because these agencies are already introducing compliance systems similar to those called for in the legislation. □

Top Card Banks Cut Loan Losses

Consolidations Help Big Lenders Find Efficiencies

Continued from *page* **1**

remain among the most profitable for financial institutions.

"Cards are making a much larger contribution to their banks' income than they have in the past," said Robert K. Hammer, president of R.K. Hammer, an investment bank in Newbury Park, Calif., that specializes in card portfolio sales. "That dependency on revenue from cards will continue to grow."

Industry observers attributed some of the down trend in chargeoffs to the maturing of the credit card business. As accounts in a bank's portfolio get older, the likelihood of default decreases, they said.

But more important, the decline in chargeoffs demonstrates that bank investments several years ago in sophisticated credit-reporting and collections systems are now paying off. These systems screen out credit risks and help banks induce payments from delinquent borrowers.

Collections Emphasized

"There has been a tremendous emphasis on collection activity, which started about two to three years ago, when bankruptcies first hit and credit losses got out of hand," said Peter T. Dunn, managing director of Edgar, Dunn, and Conover, a San Francisco management consulting firm. "What we're seeing is the impact of those programs and better-managed portfolios."

That is good news for bankers, who have been worried about a host of gloomy economic statistics, including an uptick in personal bankruptcies. In 1989, 616,753 people filed for bankruptcy, an all-time high and an increase of 12% from 1988.

Top 10 Credit Card Companies

(Dollar amounts in millions)

Card rank 12/89		Card loans 12/31/89	Percent change	Chargeoffs as a % of card loans	Percent change
1.	Citicorp	$22,726	+4.8%	3.45	-1.1%
2.	Chase Manhattan Corp.	9,913	+37.1	2.51	-15.5
3.	BankAmerica Corp.	7,481	+24.8	2.05	+3.0
4.	Sears, Roebuck & Co.	7,115	+17.8	2.44	-1.6
5.	American Express Co.	5,390	+33.6	4.70	+51.1
6.	First Chicago Corp.	5,122	+38.7	2.99	+9.5
7.	Bank of New York Co.	3,466	+10.5	2.61	-3.0
8.	Wells Fargo & Co.	3,115	+14.5	2.34	-23.8
9.	Manufacturers Hanover Corp.	2,379	+12.4	3.70	-42.4
10.	First Interstate Bancorp	2,095	-13.2	3.15	-10.8

The *American Banker* survey found other bits of good news for credit card bankers. While many worry that little room is left for growth in the business, the study found that loans outstanding continued to increase at a healthy clip.

> **"What we're seeing is the impact of those programs and better-managed portfolios."**
>
> **Peter T. Dunn**
> *Edgar, Dunn, and Conover*

In 1989, the top 100 credit card banks reported receivables totaling $106 billion, a 13.7% jump from the previous year. Credit card loans outstanding at all commercial banks totaled $130.8 billion in 1989, an 11.6% increase.

The industry's card holdings grew faster than its overall consumer loan portfolio, which rose by 10.6% last year. But card growth fell well short of banks' 27% surge in home equity loans. The latter have become increasingly popular because, unlike interest payments on credit cards, interest on home equity credit remains fully tax-deductible under the Tax Reform Act of 1986.

The credit card business is continuing to consolidate, the numbers showed, with roughly three-quarters of loans outstanding held by the 100 largest players. Benefiting from economies of scale, the biggest card banks appeared the most adept at controlling losses. Seven of the top

See **AGE** *next page*

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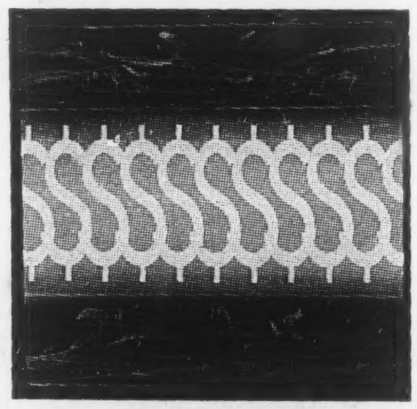

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CONSUMER NEWS

Age Boosts Card Portfolios' Quality

Continued from *page* 10

10 credit card banks reported chargeoff ratios below the top 100's average.

Chargeoffs Decline

Among the 10 largest holding companies ranked by subsidiaries' combined credit card loans outstanding, seven showed declines in chargeoffs in 1989.

"Operating leaner and meaner is becoming a way of life," said Mr. Hammer, the California investment banker.

At the banking subsidiary of Chase Manhattan Corp., the nation's second-largest card issuer, the chargeoff ratio declined to 2.58%, from 3.01% a year earlier. At the same time, loans outstanding rose a whopping 37.6%, mostly due to five portfolio acquisitions.

Chase's statistics demonstrated how the surge in portfolio sales is also helping keep chargeoffs down. Banks in the market for new receivables often look for seasoned accounts, which are less likely to default than newly solicited customers.

Buying 'Old Portfolios'

"A few years ago, there was an explosion of new account solicitations," said Mr. Dunn, the management consultant. "What we're seeing now is a moving around of old portfolios."

Earnings surged 30.45% at 20 top banks that specialize in credit card lending.

In 1989, about $6.6 billion worth of credit card receivables changed hands.

In fact, evidence indicated that a concentration in credit card lending yields superior profits to the biggest issuers. At 20 top banks that specialize in credit card lending, earnings surged 30.45%.

Other key findings of the survey follow:

• Citicorp remains the largest company in the business. At the end of 1989, units of the holding company claimed $22.7 billion in card loans outstanding. Portfolio growth was probably greater than the 4.7% increase reported, since the figures reflect Citicorp's asset securitization transactions.

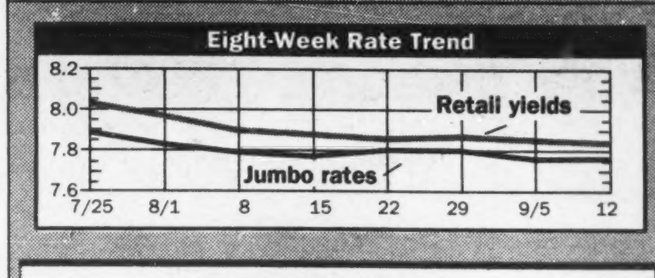
• Sears, Roebuck and Co.'s Discover card continued to grow more profitable. Receivables at Greenwood Trust Co., the Newcastle, Del., bank that issues the card, grew 16.7% in 1989, to $6.89 billion. Net income at the bank hit $97.1 million, up from $1.33 million in 1988.

• Another nonbank competitor – American Express Co. – also saw significant growth. Its Centurion unit, which holds receivables for the Optima card, claimed $5.1 billion in loans outstanding in 1989, up 35.9% from a year earlier. Net income soared 78.5%, to $65 million.

• Among the top 10 banks, the biggest gain was posted by FCC National Bank, Wilmington, Del. Its outstanding credit cards and related loans surged by more than 60%. The next biggest gains were at Citibank (Nevada), Los Angeles – 39.95% – and Chase Manhattan Bank (USA), Wilmington – 37.63%.

— Phil Roosevelt in New York contributed to this article.

AMERICAN BANKER /Bank Rate Monitor's™ Consumer Money Index — Retail and Jumbo CDs



Here are the market-by-market averages being paid on jumbo and retail certificates of deposit by the 10 largest banks and thrifts in each of the nation's 10 largest markets on September 12. The eight-week rate trend is the average being paid on one-year maturities by the same 100 institutions on the dates indicated.

Retail Yields

	6-month	1-year	5-year
New York	7.62%	7.82%	8.04%
Los Angeles	7.75	7.92	7.89
Chicago	7.52	7.66	8.08
San Francisco	7.72	7.91	8.06
Philadelphia	7.68	7.73	8.00
Detroit	7.36	7.62	7.98
Boston	7.94	8.12	8.26
Houston	7.60	7.62	7.86
Dallas	7.61	7.71	7.96
Washington	8.12	8.27	8.39
BRM NATIONAL AVERAGE	7.69	7.84	8.05

Jumbo Rates

	6-month	1-year	5-year
New York	7.45%	7.58%	7.92%
Los Angeles	7.73	7.79	7.88
Chicago	7.63	7.71	8.27
San Francisco	7.73	7.82	8.16
Philadelphia	7.71	7.69	7.91
Detroit	7.75	7.75	7.78
Boston	7.83	7.85	8.08
Houston	7.62	7.71	7.94
Dallas	7.67	7.77	8.04
Washington	7.87	7.93	8.25
BRM NATIONAL AVERAGE	7.70	7.76	8.02

Source: ©Bank Rate Monitor, North Palm Beach, Fla. 33408. All inquiries: (407) 627-7330

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CREDIT CARD LOANS

The Top 25 Companies in Bank Credit Cards

Based on the combined credit card loans outstanding at commercial bank and thrift subsidiaries (in millions of dollars)

Rank 12/89	Rank 12/88		Credit Card Loans Outstanding Credit at Bank & Thrift Subsidiaries 12/31/89	12/31/88	% Chg.	Number of Subsidiaries 12/31/89	12/31/88	Largest Credit Card Subsidiary (Card loans)
1	1	Citicorp, New York	$22,726	$21,687	4.79%	14	10	Citibank (South Dakota), NA, Souix Falls ($9,336)
2	2	Chase Manhattan Corp., New York	9,913	7,232	37.07	6	4	Chase Manhattan Bank (USA), Wilmington, Del. ($9,266)
3	4	BankAmerica Corp., San Francisco	7,481	5,995	24.79	2	2	Bank of America NT&SA, San Francisco ($6,189)
4	3	Sears, Roebuck & Co., Chicago (a)	7,115	6,038	17.83	2	2	Greenwood Trust Co., Newcastle, Del. ($6,895)
5	5	American Express Co., New York (b)	5,390	4,035	33.58	3	3	American Express Centurion Bank, Newark, Del. ($5,191)
6	6	First Chicago Corp.	5,122	3,692	38.73	14	13	FCC National Bank, Wilmington, Del. ($4,815)
7	7	Bank of New York Co. Inc.	3,466	3,138	10.45	2	5	Bank of New York (Delaware), Wilmington ($3,362)
8	8	Wells Fargo & Co., San Francisco	3,115	2,720	14.52	1	1	Wells Fargo Bank, NA, San Francisco ($3,115)
9	10	Manufacturers Hanover Corp., New York	2,379	2,117	12.38	1	1	Manufacturers Hanover Trust Co., New York ($2,379)
10	9	First Interstate Bancorp., Los Angeles	2,095	2,413	-13.18	25	21	First Interstate Bank of California, Los Angeles ($1,036)
11	20	NCNB Corp., Charlotte, N.C.	1,798	1,225	46.77	6	5	NCNB National Bank of South Carolina, Columbia ($518)
12	23	Household International Inc., Prospect Heights, Ill.	1,744	1,116	56.27	2	2	Household Bank NA, Salinas, Calif. ($1,598)
13	12	Banc One Corp., Columbus, Ohio	1,566	1,731[1]	-9.53	51	50	Bank One Columbus NA, Ohio ($507)
14	13	MNC Financial Corp., Baltimore	1,488	1,581[1]	-5.88	3	4	Maryland Bank NA, Newark, Del. ($1,360)
15	21	CoreStates Financial Corp., Philadelphia (c)	1,486	1,180	25.96	1	1	CoreStates Bank of Delaware NA, Wilmington ($1,486)
16	15	Marine Midland Banks, Buffalo, N.Y. (d)	1,471	1,407	4.55	2	2	Marine Midland (Delaware), NA, Wilmington ($741)
17	18	Signet Banking Corp., Richmond	1,461	1,244	17.44	2	2	Signet Bank/Virginia, Richmond ($1,418)
18	17	First Wachovia Corp., Winston-Salem, N.C	1,411	1,310	7.71	3	3	First National Bank, Atlanta ($961)
19	14	Capital Holding Corp., Louisville, Ky.	1,356	1,468	-7.63	1	1	First Deposit National Bank, Tilton, N.H. ($1,356)
20	11	Security Pacific Corp., Los Angeles	1,325	1,989[1]	-33.38	8	6	Security Pacific National Bank, Los Angeles ($539)
21	...	Norwest Corp., Minneapolis	1,230	995	23.62	36	35	Norwest Bank Des Moines NA, Iowa ($378)
22	22	Chemical Banking Corp., New York	1,169	1,173[1]	-0.34	22	21	Chemical Bank (Delaware), Wilmington ($704.4)
23	24§	Barnett Banks Inc., Jacksonville, Fla.	1,117	1,052[1]	6.18	34	34	Barnett Bank of South Florida NA, Miami ($252)
24	25§	National City Corp., Cleveland	1,098	1,050[1]	4.57	13	13	BancOhio National Bank, Columbus (778)
25	26§	Sovran Financial Corp., Norfolk, Va.	1,089	1,039	4.81	9	9	Sovran Bank, NA, Richmond ($715)
		TOTALS FOR THE TOP 25 COMPANIES	**$89,611**	**$78,940§**	**13.52%**	**263**	**250**	
		Dropping out of the Top 25						
--	16	Chevy Chase Savings Bank FSB, Md. (e)	979	1,381	-29.1	1	1	Chevy Chase Savings Bank FSB, Md. ($979)
--	19	Lomas Financial Corp., Dallas (f)	945	1,240	-23.78	1	1	First USA Bank, Wilmington, Del. ($945)

Data sources: Federal regulatory report of condition for all FDIC-insured commercial and savings banks. and data for SAIF-insured thrifts and federally-chartered FDIC-insured savings banks are from the Quarterly Financial Report submitted to the Office of Thrift Supervision. American Banker extracted these data from **BankSource,** a data base provided by **W.C. Ferguson & Co.,** Irving. Tex **Credit card loans outstanding:** For commercial banks and FDIC-insured savings banks. these loans are defined to include all extensions of credit to individuals for household. family. and other personal expenditures arising from bank credit cards or special prearranged overdraft plans For thrifts reporting to the FHLBS. these loans include credit extended in connection with credit cards plus overdrafts on NOW accounts plus any other open-ended credit extended to consumers. **Commercial banks** include "nonbank" banks, and **thrifts** include both FSLIC-insured and FDIC-insured savings institutions. Industrial banks are excluded. **(a)—** The bank is a direct subsidiary of Dean Witter Financial Services Group, which is in turn a subsidiary of Sears, Roebuck and Co. Greenwood Trust handles the "Discover" credit card operations for Sears. **(b)—** The bank is a direct subsidiary of American Express Travel Related Services, which in turn, is a subsidiary of American Express. The bank handles the "Optima" card operations for American Express. **(c)—** Acquired about $90 million of the credit card portfolio of Chevy Chase Savings Bank FSB, Md. **(d)—** On March 31, the Delaware bank was merged into Marine Midland Bank NA, Buffalo, N.Y. **(e)—** In the process of selling off its credit card portfolio. **(f)—** The subsidiary bank was formerly known as Lomas Bank USA. It changed title on 10/16/89, and became a direct subsidiary of First USA Inc., Dallas, which in turn, is a subsidiary of Lomas Financial Corp. **(§)—** Revised. **(1)—** Revised to include bank and thrift affiliates that were omitted from the 1988 total in last year's listing.

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Bank Credit Card Operations of Diversified Financial Services Companies

Rank 12/89	Rank 12/88	Name of Bank	Name of Parent	Credit Card Loans (thousands of dollars) 12/31/89	12/31/88	% Chg.	Date of Acq./Start
6	6	American Express Centurion Bank, Newark, Del.	American Express Travel Related Services (a)	$5,191,360	$3,818,234	36.0%	1985
160	191	Associates National Bank, Pleasanton, Calif.	Associates Corporation of North America, Dallas	99,445	68,597	45.0	1980
..	..	Boston Safe Deposit & Trust Co.	Shearson Lehman Hutton Inc., New York (a)	3,498	7,560	-53.7	1981
30	42	Colonial National Bank USA, Wilmington	ADVANTA Corp, Horsham, Pa.	661,108	459,664	43.8	1982
17	12	First Deposit National Bank, Tilton, N.H.	Capital Holding Corp., Louisville, Ky.	1,356,357	1,468,469	-7.6	1984
7‡	7‡	First Nationwide Bank FSB, San Francisco	Ford Motor Co., Dearborn, Mich.	209,562	337,390	-56.4	1985
120	129	First Signature Bank & Trust Co., Portsmouth, N.H.	John Hancock Mutual Life Insurance Co., Portsmouth, NH	151,615	128,149	18.3	1985
22	15	First USA Bank, Wilmington, Del. (b)	First USA Inc., Dallas (c)	945,165	1,240,063	-23.8	1986
4	3	Greenwood Trust Co., Newcastle, Del.	Dean Witter Financial Services Group, New York (d)	6,894,546	5,909,337	16.7	1985
12‡	65‡	Household Bank FSB, Newport Beach, Calif.	Household International Inc., Prospect Heights, Ill.	145,751	46,887	210.9	1976
13	20	Household Bank NA, Salinas, Calif.	Household International Inc., Prospect Heights, Ill.	1,598,296	1,068,858	49.5	1981
96	128	Hurley State Bank, Sioux Falls, S.D.	Dean Witter Financial Services Group, New York (d)	219,961	128,616	71.0	1986
102	90	IDS Bank & Trust Co., Minneapolis, Minn.	American Express Travel Related Services (a)	195,547	209,342	-6.6	1986
223	397	Massachusetts Co., Inc. Boston	Travelers Corp., Hartford, Conn.	57,059	15,478	268.6	1969
302	65	Monogram Bank of Ohio, Blue Ash, Ohio	General Electric Capital Corp., Stamford, Conn. (e)	34,169	370,956	-90.8	1986
55	..	Monogram Bank USA, Cincinnati	General Electric Capital Corp., Stamford, Conn. (e)	404,623	0	...	1988
56	..	Monogram Credit Card Bank, Roswell, Ga.	General Electric Capital Corp., Stamford, Conn. (e)	403,544	11,343	3,457.6	1988
36	49	J.C. Penney National Bank, Harrington, Del.	J.C. Penney & Co., New York	548,091	402,892	36.0	1983
58	57	Primerica Bank, Newark, Del.	Commercial Credit Corp., Baltimore	380,653	351,890	8.2	1984
32	...	World Financial Network National Bank, Whitehall, Ohio	The Limited Inc., Columbus, Ohio (f)	586,026	.....	...	1989

Rank— Credit card loan rank among commercial banks. unless otherwise indicated **(‡)—** Credit card loan rank among thrift institutions. **Credit credit loans—** See the definition of credit card loans outstanding for commercial banks in the footnotes to the table on page 21A. **(a)—** A subsidiary of American Express Co., New York. **(b)—** Formerly Lomas Bank USA. Changed title on 10/16/89. **(c)—** First USA Inc. is a subsidiary of Lomas Financial Corp., Dallas. **(d)—** A subsidiary of Sears, Roebuck & Co., Chicago. **(e)—** A subsidiary of General Electric Co., Fairfield, Conn. **(f)—** The Limited Inc. owns and operates women's specialty fashion stores.

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CREDIT CARD LOANS

Top 100 Banks in Credit Card Operations

Credit card loans outstanding on Dec. 31, 1989, compared with Dec. 31, 1988 (in thousands of dollars)

Rank 12/89		Credit Card and Related Loans Outstanding 12/31/89	12/31/88	% Chg.	Total Loans 12/31/89	Credit Cards as a % of Total Loans	Net Income 1989	1988	% Chg.	Net Chargeoffs (Card Related) 1989	1988	Chargeoffs as % Of Credit Card Loans 1989	1988
1	Citibank (South Dakota) NA, Sioux Falls	9,335,697	12,107,130	-22.89	10,090,796	92.52	298,826	321,592	-7.08	450,974	537,097	4.83	4.44
2	Chase Manhattan Bank (USA) NA, Wilmington, Del.	9,266,069	6,732,513	37.63	9,295,491	99.68	204,749	137,833	48.55	238,712	202,803	2.58	3.01
3	Citibank (Nevada) NA, Las Vegas	8,069,062	5,765,860	39.95	8,145,651	99.06	177,836	134,958	31.77	213,823	126,606	2.65	2.20
4	Greenwood Trust Co., Newcastle, Del.	6,894,546	5,909,337	16.67	6,919,651	99.64	97,132	1,336	7,170	166,181	147,184	2.41	2.49
5	Bank of America NT&SA, San Francisco	6,189,000	4,844,000	27.77	65,118,000	9.50	743,000	575,000	29.22	124,000	95,000	2.00	1.96
6	American Express Centurion Bank, Newark, Del.	5,191,360	3,818,234	35.96	5,863,885	88.53	65,016	36,426	78.49	244,088	118,821	4.70	3.11
7	FCC National Bank, Wilmington, Del.	4,815,016	2,997,421	60.64	4,798,303	100.35	20,194	44,500	-54.62	143,887	81,729	2.99	2.73
8	Bank of New York (Delaware), Wilmington	3,362,102	2,666,463	26.09	3,783,265	88.87	61,751	40,403	52.84	87,731	71,628	2.61	2.69
9	Wells Fargo Bank NA, San Francisco	3,115,312	2,720,496	14.51	39,349,480	7.92	580,273	510,722	13.62	72,819	83,496	2.34	3.07
10	Manufacturers Hanover Trust Co., New York	2,379,000	2,117,000	12.38	37,322,000	6.37	(637,000)	480,000	-232.71	88,000	136,000	3.70	6.42
11	Citibank (Maryland) NA, Towson, Md.	2,097,963	1,303,965	60.89	2,174,985	96.46	29,525	7,931	272.27	64,895	44,696	3.09	3.43
12	Citibank NA, New York	2,011,000	1,668,000	20.56	108,694,000	1 85	222,000	1,423,000	-84.40	12,000	16,000	0.60	0.96
13	Household Bank NA, Salinas, Calif.	1,598,296	1,068,858	49.53	1,598,296	100.00	17,172	9,719	76.68	65,268	54,025	4.08	5.05
14	CoreStates Bank of Delaware NA, Wilmington	1,486,035	1,179,685	25.97	1,486,035	100.00	17,210	24,608	-30.06	27,312	23,272	1.84	1.97
15	Signet Bank/Virginia, Richmond	1,418,449	1,203,326	17.88	4,602,600	30.82	86,167	68,815	25.22	37,735	33,272	2.66	2.77
16	Maryland Bank NA, Newark, Del.	1,359,996	1,428,573	-4.80	1,397,623	97.31	29,908	34,798	-14.05	23,261	30,476	1.71	2.13
17	First Deposit National Bank, Tilton, N.H.	1,356,357	1,468,469	-7.63	1,399,583	96.91	43,684	19,412	125.04	34,557	28,963	2.55	1.97
18	Seattle-First National Bank	1,291,487	1,150,980	12.21	9,950,703	12.98	126,576	72,574	74.41	29,928	24,347	2.32	2.12
19	Southeast Bank NA, Miami	1,044,111	842,361	23.95	10,748,235	9.71	94,045	134,568	-30.11	31,597	17,131	3.03	2.03
20	First Interstate Bank of California, Los Angeles	1,036,383	966,152	7.27	14,256,722	7.27	271,745	238,299	14.04	16,731	27,455	1.61	2.84
21	First National Bank, Atlanta	961,426	875,543	9.81	5,125,383	18.76	64,160	57,812	10.98	26,865	23,682	2.79	2.70
22	First USA Bank, Wilmington, Del.	945,165	1,240,063	-23.78	1,160,220	81.46	22,958	36,397	-36.92	49,984	48,256	5.29	3.89
23	Barclays Bank of Delaware NA, Wilmington	814,952	669,638	21.70	814,952	100.00	(7,976)	(8,550)	6.71	60,405	35,041	7.41	5.23
24	BancOhio National Bank, Columbus	777,596	747,692	4.00	3,874,607	20.07	61,406	38,621	59.00	33,646	60,848	4.33	8.14
25	Marine Midland (Delaware) NA, Wilmington	741,217	736,618	0.62	2,167,185	34.20	24,914	20,225	23.18	29,108	37,382	3.93	5.07
26	Marine Midland Bank NA, Buffalo, N.Y.	729,355	670,629	8.76	17,847,778	4.09	(36,168)	62,563	-157.81	12,902	7,351	1.77	1.10
27	Sovran Bank NA, Richmond	714,943	699,110	2.26	9,014,468	7.93	151,593	137,772	10.03	15,393	13,602	2.15	1.95
28	Chemical Bank (Delaware), Wilmington	704,389	7,063	9872.94	1,068,960	65.89	17,481	18,121	-3.53	12,690	264	1.80	3.74
29	Mellon Bank Delaware NA, Wilmington	694,831	705,438	-1.50	1,200,141	57.90	17,313	13,447	28.75	18,631	18,145	2.68	2.57
30	Colonial National Bank USA, Wilmington, Del.	661,108	459,664	43.82	881,708	74.98	14,718	(19,059)	-177.22	20,625	31,658	3.12	6.89
31	First Omni Bank NA, Millsboro, Del.	588,804	508,483	15.80	590,919	99.64	14,325	15,174	-5.60	19,256	20,263	3.27	3.98
32	World Financial Network National Bank, Whitehall, Ohio	586,026	.....	...	586,026	100.00	4,579	.....	...	20,902	.....	3.57	...
33	United States National Bank, Portland, Ore.	574,609	385,305	49.13	7,060,312	8.14	112,675	91,245	23.49	8,518	8,174	1.48	2.12
34	First National Bank, Omaha, Neb.	574,603	397,108	44.70	1,027,502	55.92	22,361	19,027	17.52	20,954	14,835	3.65	3.74
35	First City Bank-Sioux Falls NA, S.D.	574,313	570,789	0.62	574,387	99.99	23,145	23,960	-3.40	24,396	24,360	4.25	4.27
36	J.C. Penny National Bank, Harrington, Del.	548,091	402,892	36.04	582,439	94.10	6,328	5,076	24.67	24,926	17,848	4.55	4.43
37	Security Pacific National Bank, Los Angeles	538,968	1,218,816	-55.78	38,040,612	1.42	713,408	545,699	30.73	23,489	31,574	4.36	2.59
38	PNC National Bank, Wilmington, Del.	537,872	507,494	5.99	700,135	76.82	7,215	2,736	163.71	11,585	7,464	2.15	1.47
39	Valley National Bank, Phoenix, Ariz.	536,447	505,405	6.14	6,544,612	8.20	(131,569)	53,013	-348.18	19,063	17,022	3.55	3.37
40	Crestar Bank, Richmond	535,856	521,903	2.67	7,455,095	7.19	100,627	84,742	18.75	14,620	18,266	2.73	3.50
41	Citizens & Southern National Bank, Atlanta	523,142	526,221	-0.59	8,069,690	6.48	149,904	130,374	14.98	14,136	11,434	2.70	2.17
42	Harris Trust & Savings Bank, Chicago	522,181	426,234	22.51	5,506,375	9.48	23,786	67,383	-64.70	13,237	9,178	2.53	2.15
43	NCNB National Bank of South Carolina, Columbia	518,400	423,815	22.32	3,207,954	16.16	50,721	35,815	41.62	19,112	21,524	3.69	5.08
44	Bank One Columbus NA, Ohio	507,132	336,604	50.66	2,703,633	18.76	26,905	42,614	-36.86	22,918	33,377	4.52	9.92
45	Security Pacific Bank Washington NA, Seattle	499,768	526,181	-5.02	6,297,386	7.94	100,162	117,781	-14.96	10,025	8,660	2.01	1.65
46	Security Bank & Trust Co., Southgate, Mich.	487,217	438,529	11.10	974,609	49.99	17,355	14,891	16.55	7,986	5,450	1.64	1.24
47	Equibank (Delaware) NA, Wilmington	474,789	327,830	44.83	475,320	99.89	(3,378)	11,845	-128.52	16,803	11,384	3.54	3.47
48	First Wisconsin National Bank, Milwaukee	443,932	398,300	11.46	2,403,650	18.47	48,265	76,593	-36.99	6,280	4,911	1.41	1.23
49	First Union National Bank of Georgia, Atlanta	442,470	370,955	19.28	3,244,492	13.64	13,543	23,943	-43.44	5,217	1,743	1.18	0.47
50	State Street Bank & Trust Co., Boston	438,613	340,402	28.85	2,479,022	17.69	103,515	92,332	12.11	9,246	6,845	2.11	2.01
51	First Bank NA, Minneapolis	431,115	316,005	36.43	9,265,478	4.65	(91,883)	(51,459)	-78.56	6,898	4,828	1.60	1.53
52	National Westminster Bank USA, New York	427,558	406,011	5.31	10,770,611	3.97	(128,628)	89,138	-244.30	9,551	7,990	2.23	1.97
53	NCNB National Bank of North Carolina, Charlotte	412,954	451,970	-8.63	11,174,872	3.70	175,209	157,953	10.92	5,680	7,270	1.38	1.61
54	Central Bank Denver NA	410,731	308,326	33.21	914,354	44.92	7,990	(27,184)	129.39	10,487	6,759	2.55	2.19
55	Monogram Bank USA, Cincinnati	404,623	.....	...	404,623	100.00	1,687	449	275.72	36,928	.....	9.13	...
56	Monogram Credit Card Bank, Roswell, Ga.	403,544	11,343	3457.65	403,544	100.00	8,008	108	7,315	1,208	4	0.30	0.04
57	Equitable Bank NA, Baltimore	391,514	375,937	4.14	2,976,952	13.15	19,218	38,429	-49.99	9,251	7,314	2.36	1.95
58	Primerica Bank, Newark, Del.	380,653	351,890	8.17	382,138	99.61	4,477	3,367	32.97	9,990	12,968	2.62	3.69
59	Norwest Bank Des Moines NA, Iowa	377,973	405,014	-6.68	1,019,871	37.06	14,611	20,631	-29.18	14,380	11,603	3.80	2.86
60	NCNB Texas National Bank, Dallas	371,860	120,642	208.23	12,875,875	2.89	308,833	(227,731)	235.61	8,099	0	2.18	0.00
61	INB National Bank, Indianapolis	365,898	385,824	-5.16	3,352,884	10.91	45,024	46,177	-2.50	13,472	8,179	3.68	2.12
62	First National Bank of Commerce, New Orleans	362,187	307,996	17.59	1,522,716	23.79	30,040	32,194	-6.69	7,099	5,422	1.96	1.76
63	Society National Bank, Cleveland	353,487	243,581	45.12	4,841,750	7.30	88,288	67,689	30.43	6,702	3,589	1.90	1.47
64	Ameritrust Co. NA, Cleveland	338,537	260,193	30.11	6,296,248	5.38	121,212	117,268	3.36	5,548	6,888	1.64	2.65
65	Dominion Bank NA, Roanoke, Va.	331,913	132,091	151.28	2,875,378	11.54	50,403	41,819	20.53	4,411	3,180	1.33	2.41
66	Sun Bank NA, Orlando, Fla.	327,021	316,801	3.23	2,893,590	11.30	47,378	39,747	19.20	9,530	8,338	2.91	2.63
67	Bank One Texas NA, Dallas	325,890	.....	...	7,244,411	4.50	.....	.....	...	6,204	.....	1.90	...
68	Wachovia Bank & Trust Co NA, Winston-Salem, N.C.	325,049	314,745	3.27	9,847,819	3.30	184,866	171,093	8.05	1,631	1,445	0.50	0.46
69	Chase Lincoln First Bank NA, Rochester, N.Y.	324,851	312,315	4.01	5,487,513	5.92	27,611	57,136	-51.67	5,194	5,162	1.60	1.65
70	NCNB National Bank, Atlanta	322,493	194,041	66.20	474,703	67.94	4,521	4.491	0.67	0	0	0.00	0.00
71	NBD Delaware Bank, Wilmington	321,340	346,570	-7.28	321,341	100.00	5,967	4,059	47.01	6,013	6,520	1.87	1.88
72	Connecticut Bank & Trust Co. NA, Hartford	319,507	302,741	5.54	5,920,220	5.40	(354,795)	90,579	-491.70	5,121	3,909	1.60	1.29
73	Delaware Trust Co., Wilmington	309,300	279,453	10.68	1,030,499	30.01	17,383	14,913	16.56	4,800	4,176	1.55	1.49
74	First Interstate Bank of Oregon NA, Portland	305,281	263,872	15.69	4,014,529	7.60	90,569	68,696	31.84	4,487	3,756	1.47	1.42
75	Comerica-Midwest NA, Toledo, Ohio	304,001	270,190	12.51	304,001	100.00	7,031	6,180	13.77	9,048	6,659	2.98	2.46
76	Chase Manhattan Bank NA, New York	300,237	157,675	90.42	54,995,735	0.55	(722,673)	838,989	-186.14	4,109	6,683	1.37	4.24
77	First Tennessee Bank NA, Memphis	295,616	248,542	18.94	3,541,061	8.35	27,112	50,254	-46.05	7,543	6,805	2.55	2.74
78	Shawmut Bank NA, Boston	288,422	223,059	29.30	6,223,824	4.63	75,398	82,442	-8.54	5,707	3,325	1.98	1.49
79	Connecticut National Bank, Hartford	286,779	239,291	19.85	8,328,176	3.44	57,001	97,040	-41.26	2,184	1,818	0.76	0.76
80	Banco Popular de Puerto Rico, San Juan	283,861	270,112	5.09	3,277,659	8.66	56,170	47,142	19.15	6,092	5,957	2.15	2.21
81	Norwest Bank Minnesota NA, Minneapolis	282,007	210,259	34.12	5,766,343	4.89	66,444	48,278	37.63	7,125	2,755	2.53	1.31
82	Colorado National Bank, Denver	281,989	246,097	14.58	886,761	31.80	15,907	17,865	-10.96	7,893	6,253	2.80	2.54
83	Central Fidelity Bank, Richmond	271,443	252,902	7.33	3,518,300	7.72	50,917	47,245	7.77	4,799	4,795	1.77	1.90
84	Midlantic National Bank/Delaware, Wilmington	266,698	179,557	48.53	266,698	100.00	4,366	2,079	110.00	4,562	868	1.71	0.48
85	First Interstate Bank of Arizona NA, Phoenix	263,874	280,640	-5.97	4,582,901	5.76	(153,764)	79,456	-293.52	10,275	11,862	3.89	4.23
86	South Carolina National Bank, Columbia	263,618	223,241	18.09	4,181,495	6.30	53,490	50,001	6.98	3,321	2,686	1.26	1.20
87	Union Bank, San Francisco	263,612	284,503	-7.34	11,481,395	2.30	138,926	60,770	128.61	6,624	5,114	2.51	1.80
88	Comerica Bank-Detroit	256,188	243,160	5.36	6,540,111	3.92	57,545	93,945	-38.75	4,470	4,656	1.74	1.91
89	Barnett Bank of South Florida NA, Miami	251,578	256,816	-2.04	4,663,455	5.39	32,887	56,060	-41.34	7,655	5,976	3.04	2.33
90	Meridian Bank, Reading, Pa.	250,192	176,133	42.05	6,843,415	3.66	64,353	70,479	-8.69	4,999	2,895	2.00	1.64
91	Boatmen's Bank of Delaware, New Castle	249,549	123,822	101.54	249,549	100.00	5,493	2,115	159.72	5,120	2,212	2.05	1.79
92	Bank One Dayton NA, Ohio	248,247	197,707	25.56	1,604,681	15.47	37,050	31,885	16.20	8,374	8,111	3.37	4.10
93	Huntington National Bank, Columbus, Ohio	231,382	202,650	14.18	5,631,848	4.11	92,951	86,014	8.06	5,595	4,043	2.42	2.00
94	Chemical Bank New Jersey NA, Morristown	228,825	150,609	51.93	3,616,392	6.33	39,181	19,490	101.03	6,500	4,766	2.84	3.16
95	Sovran Bank/Delaware, Dover	224,502	221,228	1.48	224,502	100.00	9,851	7,169	37.41	3,203	2,701	1.43	1.22
96	Hurley State Bank, Sioux Falls, S.D.	219,961	128,616	71.02	219,961	100.00	3,084	(213)	1547.89	6,920	3,014	3.15	2.34
97	European American Bank, New York	218,034	196,611	10.90	3,322,112	6.56	42,535	64,906	-34.47	4,569	4,866	2.10	2.47
98	United Jersey Bank, Hackensack, N.J.	205,880	189,840	8.45	3,563,533	5.78	60,995	52,423	16.35	5,984	4,208	2.91	2.22
99	First American National Bank, Nashville, Tenn.	201,760	191,800	5.19	2,036,871	9.91	(20,590)	(3,232)	-537.07	6,162	4,788	3.05	2.50
100	First Pennsylvania Bank (Delaware), Wilmington	199,114	177,636	12.09	199,114	100.00	(674)	(2,379)	71.67	5,040	4,785	2.53	2.69
	TOTALS FOR TOP 100‡ ($ million)	**106,798**	**93,963**	**13.7**	**741,057**	**14.4**	**5,063**	**8,794**	**-42.4**	**3,113**	**2,888**	**2.9**	**3.1**
	TOTALS FOR ALL COMMERCIAL BANKS† ($ million)	**130,845**	**117,233**	**11.6**	**2,003,858**	**6.5**	**15,652**	**24,817**	**-36.9**	**3,700**	**3,340**	**2.8**	**2.8**

Data sources: Data are from the Report of Condition and the Report of Income submitted to the Federal Deposit Insurance Corp. American Banker used **BankSource,** a data base provided by **W.C. Ferguson & Co.,** Irving, Tex, and **Lotus One Source**, a data base provided by **Sheshunoff Information Services Inc.,** Austin Texas, to extract these data. The 1988 data are not adjusted for mergers in 1989. **Credit Cards and Related Loans Outstanding** are from Schedule RC-C, item 6a, of the Report of Condition and include, on a gross basis, all extensions of credit to individuals for household, family, and other personal expenditures arising from bank credit cards or special prearranged overdraft plans. **Total loans** are from RC-Balance Sheet, item 4.a.—"Loans and leases, net of unearned income". **Net income** is income after taxes but before extraordinary items and other adjustments (Report of Income, item 10). **Net Chargeoffs** are gross chargeoffs on credit cards and related plans less recoveries on credit cards and related plans. The data are from Schedule RI-B of the Report of Income, item 5(a) Column A less item 5(a) Column B. **(‡)**— Except for net income, the 1988 totals are for the top 100 banks in 1988. The 1988 net income is for the top 100 credit card banks in 1989. **(†)**— Data are for FDIC-insured commercial banks and are from the Federal Reserve Board and the Federal Deposit Insurance Corp.

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CREDIT CARD LOANS

Geographic Listing of Top 100 Credit Card Banks

Shown by state with credit card loans on Dec. 31, 1989, compared with Dec. 31, 1988 and Dec. 31, 1987 (in thousands of dollars)

	Rank 12/89		Credit Card and Related Loans Outstanding 12/31/89	12/31/88	12/31/87	Percent Change '88-'89	'87-'88	Rank 12/88	12/87
Arizona	39	Valley National Bank, Phoenix	$536,447	$505,405	$478,291	6.1	5.7	40	36
	85	First Interstate Bank of Arizona NA, Phoenix	263,874	280,640	300,022	(5.97)	(6.5)	71	53
California	5	Bank of America NT&SA, San Francisco	6,189,000	4,844,000	4,122,000	27.8	17.5	5	2
	9	Wells Fargo Bank NA, San Francisco	3,115,312	2,720,496	2,861,110†	14.51	(4.9)	8	6
	13	Household Bank NA, Salinas	1,598,296	1,068,858	936,497	49.5	14.1	20	22
	20	First Interstate Bank of California, Los Angeles	1,036,383	966,152	1,000,493†	7.3	(3.4)	22	19
	37	Security Pacific National Bank, Los Angeles	538,968	1,218,816	1,160,373†	(55.8)	5.0	16	15
	87	Union Bank, San Francisco	263,612	284,503	282,173†	(7.3)	0.8	70	105
Colorado	54	Central Bank Denver NA	410,731	308,326	271,236	33.2	13.7	67	67
	82	Colorado National Bank, Denver	281,989	246,097	207,120	14.6	18.8	80	87
Connecticut	72	Connecticut Bank & Trust Co. NA, Hartford	319,507	302,741	272,550	5.54	11.1	69	66
	79	Connecticut National Bank, Hartford	286,779	239,291	220,914†	19.9	9.9	83	83
Delaware	2	Chase Manhattan Bank (USA) NA, Wilmington	9,266,069	6,732,513	5,907,687	37.6	14.0	2	2
	4	Greenwood Trust Co., Newcastle	6,894,546	5,909,337	3,135,774	16.7	88.4	3	5
	6	American Express Centurion Bank, Newark	5,191,360	3,818,234	1,647,475	36.0	131.8	6	12
	7	FCC National Bank, Wilmington	4,815,016	2,997,421	2,311,520	60.6	29.7	7	8
	8	Bank of New York (Delaware), Wilmington	3,362,102	2,666,463	2,041,747	26.1	30.6	9	9
	14	CoreStates Bank of Delaware NA, Wilmington	1,486,035	1,179,685	995,566	26.0	18.5	18	20
	16	Maryland Bank NA, Newark	1,359,996	1,428,573	1,829,360	(4.8)	(21.9)	13	10
	22	First USA Bank, Wilmington	945,165	1,240,063	1,087,210	(23.8)	14.1	15	17
	23	Barclays Bank of Delaware NA, Wilmington	814,952	669,638	387,196	21.7	72.9	31	42
	25	Marine Midland Bank (Delaware) NA, Wilmington	741,217	736,618	733,764	0.6	0.4	27	28
	28	Chemical Bank (Delaware), Wilmington	704,389	7,063	7,727	9872.9	(8.6)	..	..
	29	Mellon Bank (Delaware) NA, Wilmington	694,831	705,438	622,891	(1.5)	13.3	29	31
	30	Colonial National Bank USA, Wilmington	661,108	459,664	521,896	43.8	(11.9)	42	35
	31	First Omni Bank NA, Millsboro	588,804	508,483	473,395	15.8	7.4	38	37
	36	J.C. Penney National Bank, Harrington	548,091	402,892	257,823	36.0	56.3	49	70
	38	PNC National Bank, Wilmington	537,872	507,494	324,460	6.0	56.4	39	55
	47	Equibank Delaware NA, Wilmington	474,789	327,830	356,919	44.8	(8.2)	61	50
	58	Primerica Bank, Newark	380,653	351,890	323,056	8.2	8.9	57	56
	71	NBD Delaware Bank, Wilmington	321,340	346,570	352,939	(7.3)	(1.8)	58	51
	73	Delaware Trust Co., Wilmington	309,300	279,453	111,017	10.7	151.7	72	132
	84	Midlantic National Bank, Wilmington	266,698	179,557	.....	48.5	.....	101	...
	91	Boatmen's Bank of Delaware, New Castle	249,549	123,822	.....	101.5	.....	134	...
	95	Sovran Bank/Delaware, Dover	224,502	221,228	213,145	1.5	3.8	86	85
	100	First Pennsylvania Bank(Delaware), Wilmington	199,114	177,636	171,398	12.1	3.6	102	99
Florida	19	Southeast Bank NA, Miami	1,044,111	842,361	742,063†	24.0	13.6	24	27
	66	Sun Bank NA, Orlando	327,021	316,801	296,526	3.23	6.8	62	64
	89	Barnett Bank of South Florida NA, Miami	251,578	256,816	233,217	(2.0)	10.1	77	78
Georgia	21	First National Bank, Atlanta	961,426	875,543	854,207	9.8	2.5	23	24
	41	Citizens & Southern National Bank, Atlanta	523,142	526,221	379,179	(0.6)	38.8	35	45
	49	First Union National Bank of Georgia, Atlanta	442,470	370,955	64,825	19.3	472.2	56	193
	56	Monogram Credit Card Bank, Roswell	403,544	11,343	.....	3457.7	.....	..	...
	95	NCNB National Bank, Atlanta	332,493	194,041	193	66.2	100,439	95	...
Illinois	42	Harris Trust & Savings Bank, Chicago	522,181	426,234	369,167	22.5	15.5	45	48
Indiana	61	Indiana National Bank, Indianapolis	365,898	385,824	314,954	(5.2)	22.5	52	58
Iowa	59	Norwest Bank Des Moines NA	377,973	405,014	330,104	(6.7)	22.7	48	54
Louisiana	62	First National Bank of Commerce, New Orleans	362,187	307,996	260,019	17.6	18.5	68	69
Maryland	11	Citibank (Maryland) NA, Towson	2,097,963	1,303,965	966,260	60.9	34.9	14	21
	57	Equitable Bank NA, Baltimore	391,514	375,937	309,968	4.1	21.3	54	60
Massachusetts	50	State Street Bank & Trust Co., Boston	438,613	340,402	297,736	28.9	14.3	59	63
	78	Shawmut Bank NA, Boston	288,422	223,059	198,821†	29.3	12.2	85	91
Michigan	46	Security Bank & Trust Co., Southgate	487,217	438,529	383,963	11.1	14.2	44	44
	88	Comerica Bank-Detroit	256,188	243,160	247,023	5.4	(1.6)	82	74
Minnesota	51	First Bank NA, Minneapolis	431,115	316,005	239,449†	36.4	32.0	63	79
	81	Norwest Bank Minnesota NA, Minneapolis	282,007	210,259	103,163†	34.1	103.8	89	270
Nebraska	34	First National Bank, Omaha	574,603	397,108	354,812†	44.7	11.9	51	53
Nevada	3	Citibank (Nevada) NA, Las Vegas	8,069,062	5,765,860	3,191,800	40.0	80.6	4	4
New Hampshire	17	First Deposit National Bank, Tilton	1,356,357	1,468,469	853,630	(7.6)	72.0	12	25
New Jersey	94	Chemical Bank NA, Morristown	228,825	150,609	156,814	51.9	(4.0)	115	...
	98	United Jersey Bank, Hackensack	205,880	189,840	159,136	8.5	19.3	98	102
New York	10	Manufacturers Hanover Trust Co., New York	2,379,000	2,117,000	2,611,000	12.4	(18.9)	10	7
	12	Citibank NA, New York	2,011,000	1,668,000	1,537,000	20.6	8.5	11	13
	26	Marine Midland Bank NA, Buffalo	729,355	670,629	624,973	8.8	(7.3)	30	30
	52	National Westminster Bank USA, New York	427,558	406,011	386,440	5.3	5.1	47	43
	69	Chase Lincoln First Bank NA, Rochester	324,851	312,315	265,822	4.0	17.5	66	68
	76	The Chase Manhattan Bank NA, New York	300,237	157,675	171,598	90.4	(8.1)	107	98
	97	European American Bank, New York	218,034	196,611	206,475	10.9	(4.8)	94	88
North Carolina	53	NCNB National Bank of North Carolina, Charlotte	412,954	451,970	472,441	(8.6)	(4.3)	43	38
	68	Wachovia Bank & Trust Co. NA, Winston Salem	325,049	314,745	305,442	3.3	3.0	64	61
Ohio	24	BancOhio National Bank, Columbus	777,596	747,692	769,559	4.0	(2.8)	26	26
	32	World Financial Network National Bank, Whitehall	586,026	.....	.....	....	.....	..	..
	44	Bank One Columbus NA	507,132	336,604	459,558	50.7	(26.8)	60	39
	55	Monogram Bank, Cincinnati	404,623	.....	.....	....	....	..	..
	63	Society National Bank, Cleveland	353,487	243,581	226,514	45.1	7.5	81	82
	64	Ameritrust Co. NA, Cleveland	338,537	260,193	255,872	30.1	1.7	76	72
	75	Comerica-Midwest NA, Toledo	304,001	270,190	216,718	12.5	24.7	73	84
	92	Bank One Dayton NA	248,247	197,707	174,273	25.6	13.4	93	97
	93	Huntington National Bank, Columbus	231,382	202,650	165,801	14.2	22.2	91	101
Oregon	33	United States National Bank, Portland	574,609	385,305	376,359	49.1	2.4	53	47
	74	First Interstate Bank of Oregon NA, Portland	305,281	263,872	227,267	15.7	16.1	75	81
Pennsylvania	90	Meridian Bank, Reading	250,192	176,133	242,932	42.05	(27.5)	103	76
Puerto Rico	80	Banco Popular de Puerto Rico, San Juan	283,861	270,112	244,833	5.1	10.3	74	75
South Carolina	43	NCNB South Carolina, Columbia	518,400	423,815	402,122	22.3	5.4	46	41
	86	South Carolina National Bank, Charleston	263,618	223,241	196,614	18.1	13.5	84	89
South Dakota	1	Citibank South Dakota NA, Sioux Falls	9,335,697	12,107,130	11,564,760	(22.9)	4.7	1	1
	35	First City Bank, Sioux Falls NA	574,313	570,789	583,950	0.6	(2.3)	32	32
	96	Hurley State Bank, Sioux Falls	219,961	128,616	57,477	71.0	123.8	128	..
Tennessee	77	First Tennesee Bank NA, Memphis	295,616	248,542	240,252	18.9	3.5	79	77
	99	First American National Bank, Nashville	201,760	191,800	178,809	5.2	7.3	97	95
Texas	60	NCNB Texas National Bank, Dallas	371,860	120,642	.....	208.2	...	137	..
	67	Bank One Texas NA, Dallas	325,890	.....	.....	...	...	..	..
Virginia	15	Signet Bank/Virginia, Richmond	1,418,449	1,203,326	1,099,045	17.9	9.5	17	16
	27	Sovran Bank NA, Richmond	714,943	699,110	689,910	2.3	1.3	29	29
	40	Crestar Bank, Richmond	535,856	521,903	540,764	2.7	(3.5)	37	33
	65	Dominion Bank NA, Roanoke	331,913	132,091	111,642	151.3	18.3	125	..
	83	Central Fidelity Bank, Richmond	271,443	252,902	252,181	7.3	0.3	78	73
Washington	18	Seattle-First National Bank	1,291,487	1,150,980	998,979	12.2	15.2	19	18
	45	Security Pacific Bank Washington NA, Seattle	499,768	526,181	449,506	(5.0)	17.1	36	40
Wisconsin	48	First Wisconsin National Bank, Milwaukee	443,932	398,300	360,392	11.5	10.5	50	49

Data sources: Data are from the Report of Condition submitted to the Federal Deposit Insurance Corp. American Banker used **BankSource,** a data base provided by **W.C. Ferguson & Co.,** Irving, Tex, and **Lotus One Source**, a data base provided by **Sheshunoff Information Services Inc.,** Austin Texas, to extract these data. The merger-adjusted data for 1987 are from **ADP Data Services Division,** New York. **(†)**— Restated for mergers, but the bank's rank is based on the actual data for that year and has not been restated for mergers.

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CREDIT CARD LOANS

Top 100 Thrifts in Credit Card Operations

Credit card loans outstanding on Dec. 31, 1989, compared with Dec. 31, 1988 (in thousands of dollars)

Rank 12/89		Credit Card Loans			Total Consumer Loans			Credit Card Loans /Consumer Loans (%)	
		12/31/89	12/31/88	% Chg.	12/31/89	12/31/88	% Chg.	12/31/89	12/31/88
1	Chevy Chase Savings Bank, FSB, Md.	978,894	1,380,619	-29.10	1,096,592	1,413,900	-22.44	89.27	97.65
2	Citibank FSB, Chicago	518,575	388,681	33.42	679,831	519,499	30.86	76.28	74.82
3	People's Bank, Bridgeport, Conn.	481,094	316,950	51.79	5,728,513	5,174,168	10.71	8.40	6.13
4	Great Western Bank, FSB, Beverly Hills	413,018	366,818	12.59	750,948	690,656	8.73	55.00	53.11
5	California Federal Savings & Loan Assn., Los Angeles	245,482	380,611	-35.50	848,392	882,993	-3.92	28.93	43.10
6	USAA Federal Savings Bank, San Antonio, Tex.	232,539	44,855	418.42	438,146	195,971	123.58	53.07	22.89
7	First Nationwide Bank, FSB, San Francisco	209,562	480,601	-56.40	759,422	1,561,260	-51.36	27.59	30.78
8	Citibank FSB, Miami	191,755	130,997	46.38	213,241	141,105	51.12	89.92	92.84
9	Ohio Savings Bank, Cleveland	159,430	141,307	12.83	166,367	148,230	12.24	95.83	95.33
10	Far West Federal Bank, Portland, Ore.	154,894	139,277	11.21	277,283	230,217	20.44	55.86	60.50
11	First Financial Bank, FSB, Stevens Point, Wis.	146,628	261,720	-43.98	632,172	680,478	-7.10	23.19	38.46
12	Household Bank FSB, Newport Beach, Calif.	145,751	46,887	210.86	409,635	531,229	-22.89	35.58	8.83
13	Glendale Federal Bank, FSB, Calif.	144,613	352,989	-59.03	1,102,992	927,981	18.86	13.11	38.04
14	Dollar Dry Dock Bank, White Plains, N.Y.	143,917	256,166	-43.82	3,380,972	3,269,609	3.41	4.26	7.83
15	Home Savings of America, FA, Irwindale, Calif.	134,397	124,481	7.97	234,663	218,765	7.27	57.27	56.90
16	Empire of America Federal Savings Bank, Buffalo, N.Y.	134,330	749,416	-82.08	1,809,453	2,664,487	-32.09	7.42	28.13
17	American Savings Bank, FA, Irvine, Calif.	125,870	66,423	89.50	180,558	126,583	42.64	69.71	52.47
18	Citibank FSB, San Francisco	117,768	68,247	72.56	148,906	100,098	48.76	79.09	68.18
19	Homefed Bank, FSB, San Diego, Calif.	114,105	101,185	12.77	233,922	250,570	-6.64	48.78	40.38
20	Apple Bank For Savings, New York	89,784	67,933	32.17	3,147,317	2,801,290	12.35	2.85	2.43
21	Perpetual Savings Bank, FSB, McLean, Va.	65,070	89,861	-27.59	324,964	302,770	7.33	20.02	29.68
22	First Federal Savings Bank, Santurce, P.R.	64,355	65,159	-1.23	439,872	471,653	-6.74	14.63	13.82
23	Gem Savings Association, Dayton, Ohio	53,022	128,924	-58.87	248,517	282,850	-12.14	21.34	45.58
24	TCF Bank Savings, FSB, Minneapolis	53,021	90,566	-41.46	567,610	779,132	-27.15	9.34	11.62
25	Home Unity Savings & Loan Assn., Lafayette Hill, Pa.	47,339	51,066	-7.30	79,770	88,130	-9.49	59.34	57.94
26	Standard Federal Bank, Troy, Mich.	46,025	175,344	-73.75	393,416	382,503	2.85	11.70	45.84
27	Georgia Federal Bank, FSB, Atlanta	42,984	44,490	-3.39	449,272	406,762	10.45	9.57	10.94
28	Florida Federal Savings Bank, St. Petersburg	37,927	45,027	-15.77	735,993	770,652	-4.50	5.15	5.84
29	CenTrust Bank, SSB, Miami	34,917	70,169	-50.24	929,018	791,010	17.45	3.76	8.87
30	American Savings Bank, FSB, Honolulu	33,763	20,893	61.60	62,516	46,903	33.29	54.01	44.55
31	Flushing Savings Bank, New York	30,637	0	...	299,474	297,148	0.78	10.23	0.00
32	Charter Federal Savings Bank, Bristol, Va.	30,477	50,397	-39.53	138,316	85,957	60.91	22.03	58.63
33	Leader Federal Bank for Savings, Memphis, Tenn.	29,291	61,238	-52.17	183,068	225,095	-18.67	16.00	27.21
34	Dollar Bank, FSB, Pittsburgh	29,083	69,910	-58.40	244,671	230,814	6.00	11.89	30.29
35	Long Island Savings Bank Centereach FSB, N.Y. (a)	28,867	19,658	46.85	78,111	76,414	2.22	36.96	25.73
36	Key Federal Savings Bank, Owings Mills, Md.	27,934	30,508	-8.44	44,094	47,674	-7.51	63.35	63.99
37	Loyola Federal Savings & Loan Assn., Baltimore	27,545	31,484	-12.51	398,305	396,378	0.49	6.92	7.94
38	Germania Bank, FSB, Alton, Ill.	25,480	24,618	3.50	35,746	39,018	-8.39	71.28	63.09
39	Albany Savings Bank FSB, N.Y.	24,256	23,091	5.05	131,837	120,569	9.35	18.40	19.15
40	Santander Federal Savings Bank, Bayamon, P.R.	24,243	26,483	-8.46	187,761	199,242	-5.76	12.91	13.29
41	First Capital Bank, Concord, N.H.	24,066	21,263	13.18	228,419	227,273	0.50	10.54	9.36
42	Citizens Federal Savings & Loan Assn., Dayton, Ohio	23,962	21,247	12.78	58,767	58,864	-0.16	40.77	36.10
43	First Gibraltar Bank, FSB, Dallas	23,742	17,690	34.21	140,292	195,180	-28.12	16.92	9.06
44	State Savings Bank, Columbus, Ohio	23,536	31,484	-25.24	58,626	48,665	20.47	40.15	64.70
45	The First, FA, Orlando, Fla.	22,740	61,494	-63.02	168,098	139,915	20.14	13.53	43.95
46	EurekaBank, Foster City, Calif.	22,304	27,757	-19.65	49,859	58,741	-15.12	44.73	47.25
47	Pacific First Federal Savings Bank, Seattle	20,314	19,584	3.73	389,572	318,476	22.32	5.21	6.15
48	Cardinal Federal Savings Bank, Cleveland	20,129	33,407	-39.75	92,013	86,499	6.37	21.88	38.62
49	Horizon Savings Assn., Austin, Tex.	19,624	9,180	113.77	21,579	10,551	104.52	90.94	87.01
50	Commercial Federal Savings & Loan Assn., Omaha, Neb.	18,108	109,120	-83.41	147,195	262,181	-43.86	12.30	41.62
51	BankAtlantic, FSB, Fort Lauderdale, Fla.	18,019	11,709	53.89	351,042	245,980	42.71	5.13	4.76
52	Western Savings & Loan Assn., FA, Phoenix (b)	17,524	88,531	-80.21	438,594	559,240	-21.57	4.00	15.83
53	Cumberland Federal Savings Bank, Louisville, Ky.	17,290	23,725	-27.12	81,877	67,205	21.83	21.12	35.30
54	Bank Western, FSB, Denver	17,097	187,332	-90.87	379,918	422,982	-10.18	4.50	44.29
55	First Federal Savings & Loan Assn., Rochester, N.Y.	17,028	86,291	-80.27	269,115	229,368	17.33	6.33	37.62
56	Meritor Savings, FA, Arlington, Va.	16,837	15,710	7.17	44,591	61,074	-26.99	37.76	25.72
57	Skaneateles Savings Bank, N.Y.	16,507	12,242	34.84	152,923	147,495	3.68	10.79	8.30
58	Arkansas Federal Savings Bank, Little Rock	16,312	4,652	250.64	17,678	6,474	173.06	92.27	71.86
59	Equity Bank for Savings, FA, Oklahoma City	15,451	579	2568.57	24,857	9,362	165.51	62.16	6.18
60	First Financial Savings Bank, SLA, Woodbridge, N.J.	15,353	14,758	4.03	15,808	15,602	1.32	97.12	94.59
61	Norstar Bank Central New York, Syracuse	15,279	12,853	18.87	879,727	844,684	4.15	1.74	1.52
62	Diamond Savings & Loan Co., Findlay, Ohio	15,122	17,994	-15.96	60,325	58,146	3.75	25.07	30.95
63	Rochester Community Savings Bank, N.Y.	15,085	3,687	309.14	2,615,530	2,620,688	-0.20	0.58	0.14
64	Peoples Savings Bank, Worcester, Mass.	14,747	0	...	532,048	418,359	27.17	2.77	0.00
65	Parkvale Savings Assn., Monroeville, Pa.	14,630	8,945	63.56	35,837	23,364	53.39	40.82	38.29
66	Sacramento Savings & Loan Assn., Calif.	14,595	12,856	13.53	35,276	33,276	6.01	41.37	38.63
67	San Francisco Federal Savings & Loan Assn.	14,474	35,667	-59.42	140,592	108,618	29.44	10.30	32.84
68	Society for Savings, Hartford, Conn.	14,283	71,618	-80.06	2,853,204	2,871,784	-0.65	0.50	2.49
69	Southwest Savings & Loan Assn.I FA, Phoenix	13,955	55,343	-74.78	63,911	69,661	-8.25	21.84	79.45
70	Heartland Federal Savings & Loan Assn., Ponca City, Okla.	13,555	13,139	3.17	66,826	67,356	-0.79	20.28	19.51
71	Binghamton Savings Bank, N.Y.	13,535	13,516	0.14	655,503	640,764	2.30	2.06	2.11
72	Benjamin Franklin Federal S & L Assn., Portland, Ore.	13,336	13,453	-0.87	208,692	204,275	2.16	6.39	6.59
73	American Pioneer Savings Bank, Orlando, Fla.	13,004	56,955	-77.17	155,820	149,643	4.13	8.35	38.06
74	Bankers First Federal Savings & Loan Assn., Augusta, Ga.	12,855	12,979	-0.96	32,114	33,213	-3.31	40.03	39.08
75	Amoskeag Bank, Manchester, N.H.	12,830	11,846	8.31	999,638	1,217,435	-17.89	1.28	0.97
76	Atlantic Financial Savings, FA, Charleston, W.Va.	12,479	7,243	72.29	98,224	72,520	35.44	12.70	9.99
77	CrossLand Savings FSB, Brooklyn, New York	11,906	55,191	-78.43	186,385	241,458	-22.81	6.39	22.86
78	Columbia Savings, FS&LA, Englewood, Colo.	11,530	16,227	-28.95	29,945	29,892	0.18	38.50	54.29
79	Amwest Savings Assn., Bryan, Tex.	11,405	5,681	100.76	256,474	318,097	-19.37	4.45	1.79
80	Heritage Savings Bank, FSB, Richmond, Va.	11,111	9,667	14.94	17,532	11,255	55.77	63.38	85.89
81	Continental Savings of America, S&LA, San Francisco	11,080	5,179	113.94	12,042	6,468	86.18	92.01	80.07
82	Middletown Savings Bank, N.Y.	10,817	8,617	25.53	188,118	180,472	4.24	5.75	4.77
83	PriMerit Bank, Las Vegas, Nev.	10,805	11,865	-8.93	64,503	57,993	11.23	16.75	20.46
84	United Savings Bank, Vienna, Va.	10,583	15,920	-33.52	31,305	35,610	-12.09	33.81	44.71
85	South Carolina Federal Savings Bank, Columbia	10,478	32,511	-67.77	92,568	82,512	12.19	11.32	39.40
86	Worcester County Institution for Savings, Mass.	10,406	7,963	30.68	1,012,354	975,890	3.74	1.03	0.82
87	Standard Federal Savings Bank, Gaithersburg, Md.	10,296	23,202	-55.62	45,852	48,386	-5.24	22.45	47.95
88	Fortune Savings Bank, Clearwater, Fla.	10,294	10,628	-3.14	276,407	277,660	-0.45	3.72	3.83
89	Western Federal Savings Bank, Mayaguez, P.R.	10,226	10,728	-4.68	121,078	114,684	5.58	8.45	9.35
90	Wilmington Savings Fund Society, FSB, Del.	10,000	78,356	-87.24	167,530	123,944	35.17	5.97	63.22
91	GreatAmerican Federal Savings & Loan Assn., Oak Park, Ill.	9,891	1,752	464.55	13,725	4,379	213.43	72.07	40.01
92	Champion Federal Savings & Loan Assn., Bloomington, Ill.	9,858	47,236	-79.13	485,089	486,690	-0.33	2.03	9.71
93	Horizon Financial, FA, Southampton, Pa.	9,804	24,540	-60.05	159,179	190,182	-16.30	6.16	12.90
94	Poughkeepsie Savings Bank, FSB, N.Y.	9,576	17,777	-46.13	157,185	146,686	7.16	6.09	12.12
95	Merabank, FSB, Phoenix, Ariz.	9,472	78,097	-87.87	515,159	544,323	-5.36	1.84	14.35
96	Republic Capital Bank, SSB, Milwaukee	9,468	11,330	-16.43	72,040	32,169	123.94	13.14	35.22
97	Palmetto Federal Savings Bank, Aiken, S.C.	9,434	7,419	27.16	50,867	40,256	26.36	18.55	18.43
98	Imperial Savings Assn., San Diego, Calif.	9,418	207,507	-95.46	904,365	1,275,288	-29.09	1.04	16.27
99	Caguas Central Federal Savings Bank, P.R.	9,411	7,173	31.20	166,036	111,441	48.99	5.67	6.44
100	Liberty Savings Bank, FSB, Atlanta	9,214	8,924	3.25	74,533	84,597	-11.90	12.36	10.55
	TOTALS FOR TOP 100 ($million)	**6,495**	**8,691[1]**	**-25.3**	**45,876**	**45,966**	**-0.20**	**14.16**	**18.91**
	TOTALS FOR ALL SAVINGS INSTITUTIONS† ($million)	**7,413**	**8,622[2]**	**-14.0**	**67,369**	**71,152**	**-5.32**	**11.00**	**12.12**

Data sources: Data for state-chartered BIF-insured thrifts are from the Report of Condition submitted to the Federal Deposit Insurance Corp.; and data for SAIF-insured thrifts and federally-chartered FDIC-insured savings banks are from the Quarterly Financial Report submitted to the Office of Thrift Supervision. American Banker used **BankSource,** a data base provided by **W.C. Ferguson & Co.,** Irving, Tex, and **Lotus One Source**, a data base provided by **Sheshunoff Information Services Inc.,** Austin Texas, to extract these data. **Credit card loans:** as defined by the federal regulators, include open-ended, unsecured credit extended in connection with credit cards plus overdrafts on NOW accounts plus any other open-ended credit extended to consumers. **Note:** The 1989 credit card data may not be comparable to the 1988 data for some thrifts. The 1988 data include home equity lines of credit for some SAIF-insured thrifts. In 1989,the OTS changed its report form and home equity lines of credit are now reported separately from credit card transactions. **Total consumer loans**: as defined by the regulators: loans on deposits; home improvement loans; education loans; consumer auto loans; other closed-end consumer loans; credit cards and other open-end credit extended to consumers; and retail mobile home loans.

Credit Card Loans/Consumer Loans is the ratio of credit card loans to total consumer loans, expressed as a percentage. **N.A.**— Not available. **(a)**— A division of Long Island Savings Bank FSB, Melville, N.Y. **(b)**— On 6/1/90, the thrift was acquired by a newly chartered commercial bank, Bank of America Arizona. **(†)**— Data are from the **Office of Thrift Supervision** and the **Federal Deposit Insurance Corp. (1)**— Total includes home equity lines of credit. **(2)**— Total excludes home equity lines of credit.

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JOHN P KENNEDY
4520 EAST - WEST HIGHWAY
SITE 800
BETHESDA MD 20814

Credit Union Insurance: Model Earns a 2d Look

By BILL ATKINSON

For months, credit union representatives have been telling anyone who will listen that their deposit insurance system is a sound alternative to the one used by the banking industry.

Bankers scoffed at the notion. But the message appears to have gotten through to regulators and congressmen, who are now considering the merits of reshaping the bank fund on the credit union model.

Last week, Frank Annunzio, D-Ill., chairman of the House Banking subcommittee on financial institutions, introduced a bill that would require banks to place 1% of their deposits with the Federal Deposit Insurance Corp. In effect, the bank insurance fund would take on the credit union insurance structure.

ANALYSIS: *Follow-up on the news*

Several days earlier, FDIC Chairman L. William Seidman dispatched a letter to House Banking Committee Chairman Henry B. Gonzalez, D-Tex., saying the credit union's approach to insurance would merit consideration.

Examining Pros and Cons

"The pros and cons are being looked at," acknowledged John F. Bovenzi, deputy to Mr. Seidman. "It warrants consideration rather than a proposal by the FDIC. We are making a suggestion to Congress that it is something they could look into. We have made no determination that it would be a system that we would want to use in that form."

The FDIC already has employees in its research division reviewing such a plan, Mr. Bovenzi said.

Bankers have publicly criticized the credit union insurance structure and dismissed it as a model for themselves. They say the system is risky because credit unions place 1% of their insured deposits with the National Credit Union Share Insurance Fund and do not write that money off their books.

Although the contribution bolsters the insurance fund, each credit union is open to losses if the insurance fund is forced to spend the 1% of deposits it holds, the bankers charge.

Alternatives Must be Weighed

But the banking industry may be forced to take a close look at alternatives to its current deposit insurance system. Losses have continued to erode the FDIC fund to a record low of 70 cents

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INSIDE NEWS

REGULATORS

THE HOUSE approved legislation that gives regulators authority to raise premiums for banks and thrifts as high as needed. *Page 2*

A FEDERAL JUDGE has ordered the OTS to halt enforcement of capital rules and other provisions of last year's thrift law against Far West Federal Bank in Portland, Ore. *Page 2*

INTERNATIONAL

INTEREST ARREARS on the loans of 50 major debtor countries to commercial banks have tripled to $22 billion in the past 18 months, accelerating commercial banks' retreat from lending to those countries. *Page 10*

FINANCE

AS INSTITUTIONAL investors grow more skittish and demanding about bank securities, a number of banks are trying to find opportunities to appeal to retail investors for new funding and capital. *Page 32*

CONSUMER

UST CORP., a conservative Boston banking company, aims to become a major player in the Massachusetts retail market after its acquisition of 17 branches of Home Owners Savings Bank from the RTC. *Page 14*

TECHNOLOGY

MASTERCARD is expected to announce that it is moving toward a system that will reduce much of the paper burden and the liabilities that banks face in processing card transactions. *Page 3*

REAL ESTATE

CONTENTIOUS meetings between bankers and debt-laden real estate developers are nothing new. But in today's market, more cooperation might be desirable. *Page 12*

COMMENT

EQUITY DURATIONS are surprisingly long, suggesting outsize rate exposures, says Sanford Rose. *Page 4*

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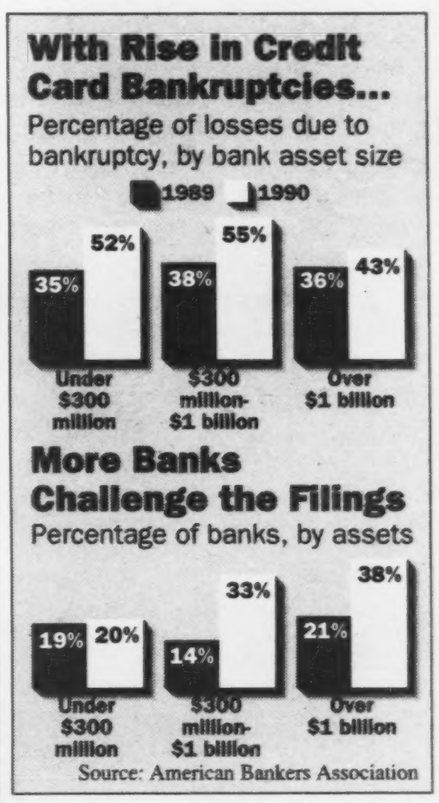

Bankruptcy Seen As Causing Half Of Card Losses

By YVETTE D. KANTROW

NEW YORK – Nearly half of all credit card losses are now attributable to personal bankruptcies, up from a third only one year ago, according to an industry report.

The finding – nestled within the American Bankers Association's annual credit card survey – demonstrates how the recent uptick in personal bankruptcies could harm the credit card industry. The trade group warned that if allowed to continue, the bankruptcy trend may result in higher credit card prices and fees.

Role for Bankers

"That it increased so much really surprised me," said George Fesus, executive vice president at State Street Bank and Trust Co., Boston, and incoming chairman of the American Bankers Association's bank

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UAL Buyout Group Seeks Smaller Financing Package

By STEVEN LIPIN

The union-led buyout group bidding for UAL Corp. is now seeking only $2 billion in bank financing for a new, lower bid to buy the airline, banking sources confirmed. That compares with the $2.5 billion it sought from banks just a month ago.

The new bid is expected to be valued at $175 to $180 a share with at least $140 of that in cash, said a banker with knowledge of the deal. The current bid is $201 a share in cash and securities.

Banks to Hear Pitch

The employee-led group was tentatively scheduled to present the new proposal to four lead banks and 25 potential lenders Wednesday in New York.

Those leading the financing – the banking units of Bankers Trust New York Corp., Manufacturers Hanover Corp., First Chicago Corp., and Security Pacific Corp. – will not underwrite the proposed new offer, a banking source said.

Because of turbulence in the energy markets, the sluggishness of the airline industry, and the difficult environment for funding highly leveraged deals, the four would-be agents are not prepared to step up with $500 million commitments each, a banking source said.

Rather, the group is seeking to arrange a "club" financing with a large number of banks, similar to the deal for RJR Nabisco Inc. in which 28 banks were involved in the primary syndication, according to bankers working on the deal. The obvious difference

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Comptroller Joins with Fed, FDIC On a 3% Minimum Capital Ratio

By BILL ATKINSON

WASHINGTON — After months of debate among regulators over a minimum bank capital requirement, the Office of the Comptroller of the Currency said Monday that it will fall in line with a Federal Reserve Board plan to require a 3% leverage ratio at the healthiest banks and higher levels at others.

The decision came a week after an intense Senate Banking Committee hearing in which Comptroller of the Currency Robert L. Clarke was portrayed as an "odd man out."

Seidman Criticism

L. William Seidman, chairman of the Federal Deposit Insurance Corp., said then that his agency would endorse the Fed policy, and he criticized Mr. Clarke's adherence to a slightly different standard. Mr. Clarke and the other regulators were told by committee Chairman Donald W. Riegle Jr., D-Mich., to agree.

The proposal calls for banks to maintain a minimum ratio based on their Camel ratings, regulatory assessments of capital, asset quality, management, equity, and liquidity. Banks that get a "1" rating, superior, would have to maintain capital equal to at least 3% of assets, regardless of whether they also meet higher, risk-based capital requirements.

Banks lower on the Camel scale would have to attain a higher capital level.

Mr. Seidman at the FDIC has

See **COMPTROLLER** *page* **21**

Green Movement Cultivates Its Own Bank

By JOHN EVANS

LONDON — There's a bank in West Germany whose mandate is to make the world a better place to live.

It's called Okobank, a deposit-taking cooperative that will bankroll only projects that it deems environmentally sound or socially responsible. It was founded two years ago by prominent members of Germany's powerful green movement.

A Quick Buildup

"We're the world's first ecology bank," says Tarsten Martin, the Frankfurt-based bank's chief accountant who acts as its public

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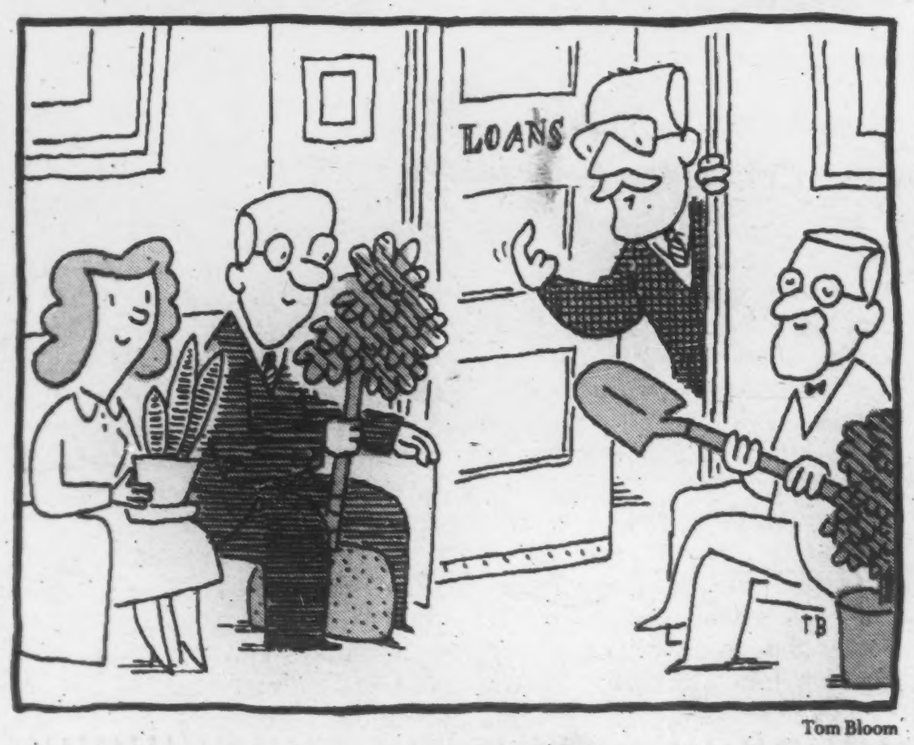

Tom Bloom

Comptroller Joins Fed, FDIC in 3% Minimum Capital Ratio

Continued from *page* 1

said he will back the 3% minimum despite his earlier support for a 4.5% standard. The agency has not yet adopted the rule, but it is expected to be discussed today at an FDIC board meeting.

OTS Backs 3% Ratio

Also Monday, the Office of Thrift Supervision said it supports the 3% leverage ratio and will amend its capital regulations accordingly.

The Comptroller's office initially proposed a 3% minimum for the healthiest banks but did not define healthy, said Ellen Stockdale, a spokeswoman for the agency. Critics charged that the proposal would let too many banks qualify for the minimum ratio. Now, the 3% minimum will apply to about 640 national banks with a 1 Camel rating.

"We never thought we were very far apart," Ms. Stockdale said of the Fed and the Comptroller. "For us to go from our original wording to 3% [for top-rated banks] was just a clarification."

In a written statement, Mr. Clarke acknowledged that concern existed over possible confusion between the Comptroller's and Fed's guidelines.

Clarke Is 'Delighted'

"For that reason, we have changed the language of the OCC's final rule to make it identical with that of the Federal Reserve," he said. "We are delighted that the FDIC also plans to adopt the same guideline."

The Comptroller plans to publish its final rule in the *Federal Register* this week.

Some industry observers still grumble over the guidelines, saying they will confuse bankers who will initially not know their capital requirement if they do not qualify as a 1-rated institution.

"I just think the end result is going to be uncertainty for the industry," said James Butera, a Washington banking lawyer and lobbyist. "It is a very different system than we have now. Everybody is in the same boat. Right now, everybody that is FDIC-insured is subject to a leverage ratio of 6%. All you need is a calculator to figure it out."

James D. McLaughlin, director of agency relations, trust, and securities at the American Bankers Association, acknowledged the advantages of uniformity, but he objected to tying the minimum leverage ratio to a bank's Camel rating. The rating is subjective and lacks precision, he said. □

Focus On
A Changing Industry
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Card Losses from Bankruptcy on the Rise

Continued from *page* 1

card division. Mr. Fesus urged bankers to take a more active role in educating consumers on the use of credit and in fighting fraudulent bankruptcy filings.

According to a published report, 616,753 people filed for personal bankruptcy last year, an all-time high and a 12% increase over the previous year. Some bankers fear that bankruptcy will further escalate this year as an uncertain economy spurs people to abandon their debt.

For its third annual bank card report, the ABA mailed questionnaires to 1,620 banks this summer to gain information on their bank card businesses. Completed surveys were returned by 446 banks.

The trade group announced the results at its annual bank card conference in New York.

Overall, the banking industry reported $3.7 billion in net bank card and related revolving credit losses in 1989, up from $3.3 billion in 1988, the ABA said. At the same time, the use of credit cards also grew.

Deadbeats Are Few

"All bankruptcy and loss statistics have to be kept in context of the total industry," Mr. Fesus said. "We're still only talking about 2% to 3% of our customers.

"The vast majority of bank cardholders are in good control of their expenditures," he said.

In 1989, consumers used credit cards 2.9 billion times to purchase more than $189.8 billion worth of goods and services. That's up from the 2.7 billion card transactions conducted in 1988, representing $168.4 billion in retail sales.

According to the ABA study, 2.36% of all credit card accounts were 30 or more days past due at June 30, up from 2.20% a year earlier. Based on dollar outstandings, delinquencies totaled 3.46% at the end this year's second quarter.

Mr. Fesus said that bankruptcy's increasing contribution to bank card losses could be an aberration and may not signal an long-term trend. His institution, based in the troubled New England region, has not seen an as much of an uptick in bankruptcy-related credit card losses as those uncovered by the ABA study, he said.

Visa on Monday revealed an automated tracking system that allows banks to use personal computers to get weekly updates on bankruptcy filings. According to Ken Crone, director of Visa's bankruptcy reduction program, the system is unusual because it allows banks to get information on bankruptcies the same week they are filed. It typically takes credit bureaus one to three months to report on new filings, he said. □

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3d-World Interest Arrears Soar

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ment deficit soared.

Mr. Schulmann's comments came on the eve of the annual meetings of the International Monetary Fund and the World Bank. It has become a tradition for the IIF, founded in 1984 to advise bankers on the economic outlook for Third World debtor countries, to make statements in anticipation of the annual meetings, and to scold Third World debtors for debt arrears.

Strategic Problems

Although progress had been made with $60 billion of bank debt owed by highly indebted, middle-income countries representing about one-quarter of the outstanding medium- and long-term bank debt reduced since 1985, Mr. Schulmann said problems persist in current official debt strategy.

Mr. Schulmann criticized advocates of reducing or forgiving debt and finance ministers who try to "drive down secondary market prices through 'open-mouth' policies."

Mr. Schulmann said that as long as debtor countries continue to accumulate arrears, retrenchment of commercial creditors will continue.

The Confidence Factor

'The rapid build-up of arrears destroys confidence among potential investors, undermines discipline in the international system, and indicates a strong element of moral hazard in the official strategy," he said.

Mr. Schulmann pressed the international agencies to condition future credit extension on countries resuming payments on their arrears.

"The IMF and the World Bank need to make clear that they will not provide finance to countries until they have stopped adding to arrears and agreed with their creditors to a program to eliminate the arrears within a reasonable time frame," Mr. Schulmann said.

Loan Terms Criticized

He also said the final terms of an imminent agreement for a standby loan of $2 billion between the IMF and Brazil would be key to whether commercial banks resumed lending in the Third World.

Tentative agreement was reached last week, and the loan was not attached to resumption of interest payments by Brazil. Mr. Schulmann's remarks were understood to be a warning that changes should be made before the agreement is final.

Mr. Schulmann further noted that both Argentina and Brazil wil probably have substantial trade surpluses this year, providing them with the foreign exchange reserves they need to make debt repayments. □

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